



MEDIA RELEASE

RECOMMENDED BUDGET AVAILABLE TO PUBLIC

City Council and Public Begin Review of Proposed Budget

SANTA BARBARA, CA – 4/17/2012

The City of Santa Barbara released its Recommended Operating and Capital Budget for Fiscal Year 2013 which begins July 1, 2012. The proposed budget includes a total operating budget of \$252.3 million and a capital budget totaling \$19.8 million.

The General Fund covers traditional municipal services such as police, fire, parks, recreation, library, and building and planning services with a proposed operating budget of \$105.8 million. The City originally estimated a \$2.7 million deficit for the upcoming fiscal year but reduced the gap to \$0.9 million due primarily to strong growth in sales tax and transient occupancy tax revenues. The budget shortfall will be addressed with one-time funds, including capital project savings and a liability insurance rebate. While labor concessions were critical to balancing the City's General Fund budget for the last three years, the proposed budget will be balanced without the need for salary and benefit concessions from employees.

Capital improvement projects recommended for full or partial funding include the renovation of the Mesa Lane steps, design of the Kids World renovation project, and installation of video cameras in police vehicles. Funds are also budgeted for two projects to replace the City's financial management system and public website.

The multi-year Marina Replacement Program will continue with replacement of the "L" and "M" dock fingers, funded by a State Department of Boating and Waterways loan. The proposed Creeks budget includes funds for preliminary design work to restore the Mission Creek Lagoon.

A recent legal settlement with Channelkeeper, a local environmental organization, requires the City to rehabilitate an extra two miles of sewer pipes each year for up to five years. To pay for the accelerated replacement of sewer pipeline, a sewer rate increase of 6% above the originally projected 4% increase is needed, resulting in a 10% proposed sewer rate increase. A water rate increase of 3.5% is proposed for the operation, maintenance, and rehabilitation of water treatment facilities.

During April and May, each department budget will be presented to Council with an overview of revenues and expenditures for the upcoming year, culminating with Council's adoption of a budget by June 30, 2012. The budget document and a schedule of public review meetings are available on the City's website at: www.SantaBarbaraCA.gov. The budget document is also

available at the City Clerk's Office at 735 Anacapa Street, the Public Library at 40 East Anapamu Street, and the Eastside Library at 1102 East Montecito Street.

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